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Viewing cable 05SANJOSE2105, COSTA RICA: SIGNALS OF MORE FLEXIBILITY ON CAFTA-DR

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Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#05SANJOSE2105**.

Reference ID	Created	Released	Classification	Origin
05SANJOSE2105	2005-09-09 23:33	2011-08-30 01:44	CONFIDENTIAL	Embassy San Jose

Appears in these articles:

<http://www.nacion.com/2011-03-03/Investigacion/NotasDestacadas/Investigacion2697430.aspx>
<http://www.nacion.com/2011-03-03/Investigacion/NotaPrincipal/Investigacion2697496.aspx>
<http://www.nacion.com/2011-03-03/Investigacion/NotasSecundarias/Investigacion2697489.aspx>
<http://www.nacion.com/2011-03-03/Investigacion/NotasSecundarias/Investigacion2697532.aspx>
<http://www.nacion.com/2011-03-03/Investigacion/NotasSecundarias/Investigacion2697535.aspx>
<http://www.nacion.com/2011-03-03/Investigacion/NotasSecundarias/Investigacion2701964.aspx>
<http://www.nacion.com/2011-03-03/Investigacion/Relacionados/Investigacion2701965.aspx>

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SAN JOSE 002105

SIPDIS

WHA/CEN
EB FOR WCRAFT, BMANOGUE
E FOR DEDWARDS
WHA FOR WMIELE
WHA/EPSC FOR KURS, LGUMBINER
H FOR JHAGAN
STATE PASS TO USTR FOR RVARGO, NMOORJANI, AMALITO

E.O. 12958: DECL: 09/09/2015
TAGS: [ETRD](#) [ECPS](#) [ECON](#) [PREL](#) [PGOV](#) [SOCI](#) [CS](#)
SUBJECT: COSTA RICA: SIGNALS OF MORE FLEXIBILITY ON CAFTA-DR

REF: A. (A) SAN JOSE 02090

[1](#)B. (B) SAN JOSE 02047

Classified By: Charge Russell Frisbie, reasons 1.4(b) and (d)

[1](#)1. (C) Summary. After attending a meeting on September 8, 2005 with various business representatives who are in favor of the United States-Central American-Dominican Republic Free Trade Agreement (CAFTA-DR), President Pacheco and Minister of Foreign Trade (COMEX) Manuel Gonzalez have alluded to delinking fiscal reform and CAFTA-DR. Also on September 8, Foreign Minister Tovar told Charge that President Pacheco had said he would send CAFTA-DR to the Assembly later this month, after he receives the report from the Commission of Eminent Persons on September 16, 2005 (Refs A and B). End Summary.

[1](#)2. (U) On September 8, 2005, President Pacheco met with representatives of the National Proactive Alliance (APRONAC),

a group of pro-CAFTA-DR business persons, solidarity leaders, workers, and professionals. Reportedly, the purpose of the meeting was for APRONAC members to express their concerns and to urge Pacheco to send the agreement to the Assembly. Mario Montero, executive director of the Chamber of the Food Products Industry, said that during the meeting Pacheco told them that he realizes that groups that are against CAFTA-DR are blocking fiscal reform and that he will not play that game.

13. (U) The president of APRONAC Franco Pacheco said that we left the meeting satisfied because the President assured us that he believes in CAFTA-DR and that it is an opportunity for the country. He further stated that ... in this meeting the President told us that he no longer is conditioning the sending of CAFTA-DR to the Assembly on the approval of the fiscal reform bill... He added that the President is only waiting on the report from the Commission of Eminent Persons.

14. (C) On September 8, during a courtesy call on Foreign Minister Tovar by Charge, Tovar said that President Pacheco had told him earlier in the day that he had decided to delink CAFTA-DR and fiscal reform and send CAFTA-DR to the Assembly in September so that the ratification process could begin.

15. (U) Foreign Trade Minister Manuel Gonzalez told the press that fiscal reform is an Administration priority, but that does not mean that CAFTA-DR is not also a high priority. He added that everything has its limits and one cannot continue to ignore concrete proposals such as CAFTA-DR. To not have either fiscal reform or CAFTA-DR is to be punished twice. Fiscal reform is out of our (the Administration,s) control but CAFTA-DR is not. We will send it to the Assembly at the right time, and I expect it will be soon, Gonzalez added. He stated the President will receive the report from the Commission of Eminent Persons on September 16 and will reveal its contents on September 20.

16. (SBU) Gonzalez also recognized the need to move on the complementary agenda, which was presented to the Assembly last week and consists of legislation approving three loans to fund projects that will improve rural roads and customs-clearing systems, and fund competitiveness initiatives for small- and medium-size businesses. The Administration is also working on the implementation legislation to open the insurance and telecommunications industries, as is required under CAFTA-DR. The Law to Strengthen and Modernize the Costa Rican Institute of Electricity (ICE) was also mentioned as a priority, but that legislative project appears stalled (septel).

COMMENT

17. (C) The GOCR has not explicitly delinked submission of CAFTA-DR to the legislature from the President's self-imposed requirement that the Assembly first pass the fiscal reform bill. However, the statements made by President Pacheco and Minister Gonzalez following the APRONAC meeting, as well as Minister Tovar's comment to Charge, indicate a change in President Pacheco's thinking. If true, this is a positive development that should advance CAFTA-DR ratification in Costa Rica.
FRISBIE